

SENATE BILL NO. 266

INTRODUCED BY J. TESTER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT A SURETY BOND IS NOT REQUIRED FOR A COMMODITY DEALER WHO PURCHASED LESS THAN \$100,000 IN AGRICULTURAL COMMODITIES DURING THE PREVIOUS 12-MONTH PERIOD OR FOR A NEW COMMODITY DEALER APPLICANT WHO ANTICIPATES PURCHASING LESS THAN \$100,000 IN AGRICULTURAL COMMODITIES DURING THE COMING 12-MONTH PERIOD; AMENDING SECTION 80-4-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 80-4-604, MCA, is amended to read:

"80-4-604. Bonding requirement amounts -- cancellation. (1) ~~An~~ Unless a bond is not required pursuant to subsection (2), an applicant for a license to operate as a commodity dealer shall, before a license may be issued, file with the department a surety bond or its equivalent, as established by department rule, payable to the state.

(2) The bond for a commodity dealer may not exceed 2% of the value of the agricultural commodities purchased by the commodity dealer from the producer during the previous 12-month period. The bond for all new applicants is 2% of the estimated value of all agricultural commodities to be purchased during the coming 12-month period, unless the estimated value of all agricultural commodities to be purchased during the coming 12-month period is less than \$100,000, in which case a bond is not required. The minimum amount of bond required by any commodity dealer is \$20,000, ~~and the~~ unless the value of agricultural commodities purchased by a commodity dealer from the producer during the previous 12-month period is less than \$100,000, in which case a bond is not required. The maximum amount of bond is prescribed in 80-4-405.

(3) A surety shall notify the commodity dealer and the department by certified mail at least 60 days prior to the cancellation of the bond. A commodity dealer's bond filed with the department is continuous until canceled by the surety upon 60 days' notice; however, cancellation does not terminate any liability of the surety incurred prior to the date of cancellation."

1 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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